



August 2, 2000

Astropower, Inc. Reports Second Quarter Results

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Second Quarter Highlights

- Product sales increase to \$11.0 million, up 52.2%
- Net income grows 115%
- EPS of \$0.08 versus \$0.05 in 2Q 1999, reflecting the effects of increased capacity expansion
- Capacity expansion accelerated in response to increased global demand
- \$6.0 million order received from Los Angeles utility

NEWARK, DE – August 2, 2000 – AstroPower, Inc. (NASDAQ:APWR), a leading supplier of solar electric power products, today reported financial results for the second quarter ended June 30, 2000.

Financial Results

For the quarter ended June 30, 2000, total revenues were a record \$11,911,000, an increase of 49.1% from the 1999 second quarter. Product revenues for the three months ended June 30, 2000 were a record \$11,038,000, an increase of 52.2% from the three months ended June 30, 1999. For the three months ended June 30, 2000, net income was \$957,000 or \$0.08 per share on a diluted basis on 12.5 million weighted average shares outstanding, as compared to \$445,000 or \$0.05 per share on a diluted basis on 9.7 million weighted average shares in the year-earlier period.

For the six months ended June 30, 2000, total revenues were a record \$22,314,000, an increase of 47.5% from the comparable 1999 period. Product revenues for the six months ended June 30, 2000 were \$20,709,000, an increase of 52.8% from the six months ended June 30, 1999.

Management Comments

Commenting on the quarter, Dr. Allen Barnett, President and CEO of AstroPower said “We are pleased to report another record sales quarter, driven once again by 50%+ growth in product revenue. Customer demand for our products has reached unprecedented levels, and our factory is responding by significantly increasing manufacturing capacity to meet this demand. Increased market demand resulting from the German on-grid program continues to be a major factor. We have also experienced sharply increased levels of demand from other international customers in South Africa and Asia. Domestically, we won two major contracts with municipal utilities, both of which contributed to second quarter revenue. Our residential rooftop direct marketing campaign is now underway in four markets, with over 1,200 leads currently in house and being processed. We are starting to see sales ramping up, and will be expanding this program into two additional markets over the balance of the year.”

Dr. Barnett added, “As announced last week, we are building manufacturing capacity at a higher rate than was contemplated earlier in the year. It is critical to capitalize on these existing opportunities to accelerate our market share acquisition. This accelerated growth trajectory is clearly in the best interests of our shareholders. This expansion will lead to a near term increase in expenses, which may be offset by increased revenue. We believe the benefits of our capacity expansion will be realized in the mid term.”

About AstroPower

AstroPower is the largest US-owned manufacturer of solar electric power products, and one of the world’s fastest growing solar electric power companies. AstroPower develops, manufactures, markets and sells solar cells, modules, panels and systems for generating solar electric power. Solar electric power systems provide a clean, renewable source of electricity in both off-grid and on-grid applications. For more information, please visit www.astropower.com



This press release contains forward-looking statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward looking statements involve risks and uncertainties, as described in the Company’s registration statement and periodic reports filed with the Securities and Exchange Commission. As a result, there can be no assurance that the Company’s future results will not be materially different from those projected. The projections contained herein speak only of the Company’s expectations as of the date of this press release. The Company hereby expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company’s expectations or any change in events, conditions or circumstances on which such statement is based.

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ASTROPOWER, INC.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands except share and per share data)

	Three Months Ended June 30	
	(unaudited)	
	2000	1999
REVENUES:		
Product sales.....	\$ 11,038	7,250
Research contracts.....	873	740
Total revenues.....	11,911	7,990
COST OF REVENUES:		
Product sales.....	7,693	5,287
Research contracts.....	631	522
Total cost of revenues.....	8,324	5,809
Gross profit.....	3,587	2,181
OPERATING EXPENSES:		
Product development expenses.....	720	489
General and administrative expenses.....	1,038	738
Selling expenses.....	815	334
Income from operations.....	1,014	620
OTHER INCOME (EXPENSE):		
Interest expense.....	(12)	-
Equity in earnings (loss) of joint ventures.....	(60)	-
Interest income.....	334	16
INCOME BEFORE INCOME TAXES.....	1,276	636
INCOME TAXES.....	319	191
NET INCOME.....	\$ 957	\$ 445
NET INCOME DATA:		
Net income per share – basic.....	\$0.08	\$0.05
Net income per share – diluted.....	\$0.08	\$0.05
Weighted average shares outstanding – basic.....	11,458,035	8,680,964
Weighted average shares outstanding – diluted.....	12,536,529	9,703,198

ASTROPOWER, INC.

CONSOLIDATED STATEMENTS OF INCOME
(in thousands except share and per share data)

	Six Months Ended June 30	
	(unaudited)	
	2000	1999
REVENUES:		
Product sales.....	\$ 20,709	13,550
Research contracts.....	1,605	1,579
Total revenues.....	22,314	15,129
COST OF REVENUES:		
Product sales.....	14,291	9,973
Research contracts.....	1,145	1,137
Total cost of revenues.....	15,436	11,110
Gross profit.....	6,878	4,019
OPERATING EXPENSES:		
Product development expenses.....	1,343	1,046
General and administrative expenses.....	1,897	1,392
Selling expenses.....	1,354	593
Income from operations.....	2,284	988
OTHER INCOME (EXPENSE):		
Interest expense.....	(14)	(1)
Equity in earnings (loss) of joint ventures.....	(80)	57
Interest income.....	675	-
INCOME BEFORE INCOME TAXES.....	2,865	1,044
INCOME TAXES.....	796	313
NET INCOME.....	2,069	731
NET INCOME DATA:		
Net income per share – basic.....	\$0.18	\$0.09
Net income per share – diluted.....	\$0.16	\$0.08
Weighted average shares outstanding – basic.....	11,381,042	8,639,821
Weighted average shares outstanding – diluted.....	12,580,454	9,543,149

ASTROPOWER, INC.

CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	<u>June 30, 2000</u> (unaudited)	<u>Dec. 31, 1999</u>
Cash	\$ 22,206	25,338
Accounts receivable, net	16,359	14,525
Inventories	10,122	7,823
Deferred tax asset	1,882	2,280
.....		
Other current assets	<u>971</u>	<u>748</u>
Total current assets	51,540	50,714
Property and equipment, net	15,614	12,130
Investment in joint ventures	<u>830</u>	<u>663</u>
Total assets	<u>67,984</u>	<u>63,507</u>
Current liabilities	5,429	4,583
Long-term liabilities	1,411	1,432
Stockholders' equity	<u>61,144</u>	<u>57,492</u>
Total liabilities and stockholders' equity	<u>67,984</u>	<u>63,507</u>